Elivono

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7 October 1960

MEMORANDUM FOR THE DIRECTOR

SUBJECT: The Situation in Lacu

- alternatives: 1) a neutralist lace now points toward two alternatives: 1) a neutralist lace with the Pathet lac represented in the government and the Assembly, with the key figures of the Phousi faction excluded or relegated to minor roles; or 2) a reopening of civil war. Either alternative is painful to contemplate.
 - 2. We base this view on the following considerations:
- ened since the Paksane and hem Neum skirmishes. He still dominates the military situation in Vientians and is in a position to veto or mullify military and political decisions taken by the government. His substantial political appeal to the Lactian people has increased greatly since the early days of the coup and he appears to be taking increasing interest in the political

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potentialities of his situation. There has been no discurnible weakening in his determination to achieve his coup goals.

b. Souvanne's political position has weakened somewhat during the past two or three weeks because of the growing strength of Kong Le. However, Souvanna's personality and program have wide appeal among literate Lactians. We believe that Souvanna still can act as a moderating force on Kong Le, but we also believe that their objectives are essentially the same — n neutral Lacs and a negotiated end to civil strife and integration of the Pathet Lac into the social and political life of the country. Both men probably desire to sliminate Fhousi as a major force in Lactian military and political affairs. Kong Le probably desires to achieve this by more direct means than Souvanna.

c. Phosei's position has steadily weakened. The military weakeness of his troops was revealed by the Paksane and dem Haus affairs. His following smeng regional and unit commanders has been reduced, and the rank and file among his troops have been unreliable in combat against the Vientiane forces. The political appeal and capabilities of the Boun Oum-Phousi tost do not appear to match those of the Souvanna-Kong Le combination on a national basis. In our view, Phousi's potential in terms of an

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anti-PL military effort or as a check or balance in a Genvanus regime is low. His continuance as a political and military factor is likely to be more disruptive than constructive in the present situation.

for lace similar to that of Cambodia. Insefar as we can make out Kong Le's desires, such an orientation would be acceptable to him. Despite Souvenne's leftist-inclinations and his apparent maivate concerning the Communist convictions of many of the Pathet Lac, we do not believe that he is Communist or would willingly "hand Lace over to the Communists." Over the short run, there is a chance that he could maintain a neutral Lace and keep the domestic Communists under control. Over the larger run, however, such a government, and indeed virtually any Lactian government, would find it extremely difficult to keep the Communists in check.

FOR THE BOARD OF HATTOMAL RETURNING:

Chalman KENT

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